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**COLLEGE: LAW**

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**PROPOSAL FOR THE SETTING UP OF POULTRY FARM OF 2400 BIRDS**

**POULTRY BUSINESS PLAN.**

The business plan is written on the establishment of a poultry farm that will specialize in the production of egg and breeding of broilers for both household and industrial use. The project (firm) will require an initial capital of Seven million naira (N7, 000,000) that will be used for renting of land, buying of equipment, feeds chicks etc. From the research made, it was discovered that the project is feasible since the market demand for this product have not been fully satisfied, and for a customer to get eggs from the two major poultry farms in Asaba, (Delta state) the customer has to book for at least one week. Crate of egg will be sold for N800 on average.

**OFF TAKE FROM THE BUSINESS.**

The manure of the Chicks will also be sold as this will further generate more profit for the company.

**TOTAL PROJECTION**

 From our projection the initial profit will be N170, 000 increasingly and in the fifth year when the company is operating as full capacity the profit will move to N529, 306 the average net profit is N341, 318.2 while the payback period is 3 years and the return on capital employed is 34%, with all this we can proudly say that this project is feasible and viable. The management team is made up of qualified persons who had working experience and have attended tertiary institution. This project will provide employment the youths and food for the Nation.

**BUSINESS DESCRIPTION**

**INTRODUCTION:**

The proposal on the establishment of a poultry farm is based on the survey made by ESUGO Angel between March 2020 and May 2020. The business will be owned by ESUGO Angel Enterprise.

From the research that was carried out, it was discovered that the demand for egg is not fully satisfied, though there are already existing poultry farms operating in Asaba, Delta State, but eggs supplies have not met demand, following the growing rate of Population and Restaurants and Hotels. The legal requirement for the establishment of this venture such as local government revenue (tax) per month has been inquired and will be carefully complied with.

The venture will help in providing employment, meeting the demand for egg and making the price affordable.

**Business Description**

The venture (firm) to be establish is a poultry farm that will concentrate in the production of eggs and breeding of Broilers because of the fund required the venture will start as a small scale business covering the population of Asaba target market. The firm is an entirely new firm to be started from the scratch. The firm will be located in Asaba, making use of a land that will be purchased for this sole purpose, building and the necessary equipment needed for the operation (Incubator, feeders etc.).

**Business Environment Analysis**

We believe the business will excel since people of all age consume egg and eggs are used in producing variety of products. Quality Chickens will be acquired though the number may be limited due to the high price.

The following are also considered access to water and electricity supply.

As a new firm having others in the same line of business we know it will not be easy to break into the market but we have devised strategies to outwit our competitors.

**Market Analysis**

There are few people in Asaba already carrying out this business though both on high and small scale. The demand for egg has not being fully satisfied that is why we have scarcity of it in some area or expensive. There is high demand for egg for both domestic and industrial uses.

**Marketing Plans**

As was mentioned earlier the residents of Asaba being our target market, awareness will be made by means of advertisement. The advert will be made on television, radio, newspapers etc. the price we intend to sell our product will be lower than the existing price, we are going to make use of distributor scattered in different part of the Asaba. We will make sure that none of our customers are disappointed, demand will be met on time, and there will be discount for bulk purchase.

**Operation Plan**

The firm will be a commercial poultry farm therefore it will require a full time labour and geared towards producing on a large scale for the sale of egg.

Birds usually starts to lay at around five month (20-21 weeks) of age and continue to lay for 12 month (52 weeks) on average, laying fewer egg as they knew the moulting period.

The typical production cycle lasts about 17 months (72 weeks) and involves four (4) distinct phases as follows.

        Phase 1: *Small Chick or Broilers*:

 This phase last from 0-2 months during which small Chicks are kept in facility (broiler’s house) separate from laying birds.

        Phase 2: *Growers*:

 This phase last about 3 months from the ninth to the twentieth week of age. Growers may be either housed separately from small Chicks or continued to be reared in broiler cum-grower houses. Appropriate care will be provided to the growers particularly between their seventeenth and twentieth week of age as their reproductive organs develop during this period.

        Phase 3: *Layers*:

Growers are transferred from the grower’s house to the layer house when they are 18 weeks old to prepare for the laying cycle. Birds typically lay for a twelve month period starting when they are about 21 weeks old and lasting until they are about 72 weeks old.

        Phase 4: *Collection of egg*:

Eggs will be collected frequently to prevent Hen from brooding it or trying to eat them and also to prevent the eggs from becoming damaged or dirty.

**Management and Organization**

Though the business is owned by ESUGO Angel Enterprise, we will need other hand to push it to greatness, to this end the firm will have the following in its management team;

Name -Manager

Name -Supervisor

Name –Production Assistants (2)

Name –Security Guard/ Driver.

**Financial Plan**

The initial cost of starting this small scale poultry farm is about N7,000,000 that will be used for acquiring 2400 layers, rent a plot of land building structure that house the Chicken buying equipment daily feeding and medical treatment.

The expenses for rearing Chicks include;

Point of lay birds 2,280,000

Feeds 341,000

Land (2plots) 1,000,000

Building 300,000

Staff house N380,000

20 units of battery cages 1800,000

Labour 180,000

Vaccination 70,000

Mortality 40,000

**Project Cost** **6,391,000**

**Weekly Costs and Sales**

-      Egg sold-60 crate per day

-      Feed used

-      Rearing cost minus A and B.

**Income for the year**

Sale of eggs 17,280,000

Sale of culled birds -

Sales of manure 210,000

Total income **17,490,000**

**Production budget for the year**

Unit to be sold

Eggs 18160 crate

Plan closing stock 2000 crates

Unit to be produced **20160**

**Manure production budgets for the year**

Unit to be sold 840 bags

Planned closing stock 120 bags

960

Less planned operating stock -

Planned production **960**

**Operating expenses for the year**

Salaries 800,000

Wages 270,000

Light power & heating 85,000

Transportation 250,000

Advertising 80,000

Insurance 170,000

Security 90,000

Rent 150,000

Feeds 341,000

Factory exp. 44,000

Selling & distribution exp. 110,000

Electricity 130,000

**Projected income statement**

Sales 17,490,000

Purchases (ducks) 60,000

(Feeds) 341,000

401,000

Wages 270,000 (671,000)

**Gross profit 16819,000**

Salaries 800,000

Light power & heating 85,000

Transportation 250,000

Advertising 80,000

Insurance 170,000

Securities 90,000

Rent 150,000

Selling & distribution exp. 130,000

Factory exp. 44,000

Electricity 130,000 (1,929, 000)

Net profits **14890,000**

**Project statement for 5 years**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Sales  | 17,490,000 | 19,239,000 | 21,162,900 | 23,279,190 | 25,607,109 |
| Costs of sales  | 671,000 | 771,650 | 887,398 | 1,020,508 | 1,173,584.2 |
| Gross profit  | 16,819,000 | 18,467,350 | 20,275,502 | 22,258,682 | 24,433,525 |
| Operating exp  | 1,929, 000 | 2,025,450 | 2,126,723 | 2,233,059.2 | 2,344,712.2 |
| Net profit | 14,890,000 | 16,441,900 | 18,148,779 | 20,025,623 | 22,088,813 |

Sales will increase by 10% yearly cost of sales will increase by 15% operating expenses will rise by 5%.

Net average profit = 5 years profit

No of year

 = 14,890,000 + 16,441,900 + 18,148,779 + 20,025,623 + 22,088,813

 5

 = 91,595,115

 5

 = **N 18,319,023**

**Profitability Analysis & Evaluation of Project**

Payable period = Total investment

 Net Average income

 = 7,000,000

 18,319,023 = 0.38

= **0.4 year**

Annual rate of return = Av profit

 Total investment

 = **18,319,023**

 7,000,000

 = **2.6 or 3%**

**REQUIREMENT**

Feeds from the company will be truck load.  Sales to other farmers will generate additional income and provide the farm with reduce cost.  When buyers buy from the farm egg outlet, it reduces visitation to farm which has attendant risk of security break and biosecurity.

Following the completion of physical structures, Semi-automatic battery cages of premium quality will be purchased and installed in for 2,400 capacity pen. 20 units of 120 birds per unit capacity cages will be utilised to hold at least 2400 birds.

**INPUT REQUIREMENT**

The major material inputs required for the success of this proposed project are Point Of Lay, Feed (Grower mash, and Layer mash), various types of medications when needed and vaccinations according to schedules. The current prices and sources of these inputs as stated below are safe, dependable and readily available.  Plan to utilize vital feed from UAC plc. With the consumption of 7 tons per month of Feed which is the expected requirement for 2400-capacity poultry, Poultry will be qualified for 12% discount on prices of Feeds from UAC.

**CONCLUSION**

From the survey carried out and the projection made it is discovered that the project will be a worthwhile. The project has the ability to pay back its owner capital within just one year four month and has a capital employ of 3% making it very viable.

We have the confidence that our idea (dream) and further research will lead this firm to greatness. When the firm is well established, it will provide employment for both the owners and others, it will also provide egg for both household and fast food or industrial use.

Extensive research has being made still other suggestion will still be welcomed from well-wishers.